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Executive Director

305m

ARIZONA CORPORATION COMMISSION

January 23, 2007

Salt River Project
c/o Ms. Sharri P. Speaker
Legal Services Department
Post Office Box 52025
Phoenix, Arizona 85072-2025

Arizona Corporation Commission

DOCKETED

JAN 23 2007

Re: Request for Letter to Release Bond
Docket No. E-3685A-99-0008

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Dear Ms. Speaker,

In relation to the above mentioned docket and Decision No. 61944, dated September 17, 1999, New West Energy ("NWE") filed a \$100,000 financial bond with the Arizona Corporation Commission. On November 1, 2006 you contacted the Legal Division via e-mail regarding a request for information on releasing the \$100,000 bond. You ultimately indicated that SRP is trying to terminate the existence of NWE and need a letter from the ACC to allow the insurance company to release the bond.

Staff has determined that the Travelers Casualty and Surety Company is the writer of the bond and that the bond is considered to be in force. Further, it is a continuous bond that has remained in force since November 8, 2001.

Staff is aware that NWE does not have an active territory. In *Phelps Dodge v. Arizona Electric Power Cooperative* 207 Ariz. 95, 83 P.3d 573 (App. Div. I, 2004), the Court vacated the Commission's Decision granting NWE a Certificate of Convenience and Necessity ("CC&N"), 207 Ariz. at 126. Given that the Company has no certificate, any compliance requirements stemming from the above docket and Decision No. 61944 are necessarily void. Therefore, the \$100,000 bond resulting from the above docket is no longer necessary. In addition, at its Open Meeting on January 16, 2007, the Commission specifically authorized me to send this letter indicating that the bond should be released.

Based on these circumstances, this writing will serve as authorization for the release of the bond by the insurance company.

Of course, a separate bond would likely be required by the Commission if the Company ever applied for a new CC&N in the future.

Sincerely,

Christopher C. Kempley

Christopher C. Kempley
Chief Counsel
Legal Division

cc: Docket Control
Brian Bozzo

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